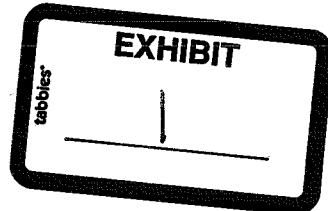


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SABRINA HART on behalf of herself, all) Case No. 09-CV-3043 JGK/THK
similarly situated, and the Proposed)
New York Rule 23 Class,)
Plaintiff,)
v.)
RICK'S CABARET INTERNATIONAL INC.,)
RCI ENTERTAINMENT (NEW YORK) INC.,)
PEREGRINE ENTERPRISES, INC.,)
Defendants.)



NOTICE OF PENDENCY OF LAWSUIT

TO: ALL PRESENT AND FORMER ENTERTAINERS WHO WORKED FOR RICK'S CABARET IN NEW YORK CITY FROM DATE [3 YEARS PRIOR TO THE MAILING DATE] TO THE PRESENT.

RE: FAIR LABOR STANDARDS ACT LAWSUIT FILED AGAINST RICK'S CABARET INTERNATIONAL, INC., RCI ENTERTAINMENT (NEW YORK), INC., AND PEREGRINE ENTERPRISES, INC.

The purpose of this Notice is to inform you of a collective action lawsuit in which you are potentially "similarly situated" to the Named Plaintiff Sabrina Hart, to advise you of how your rights may be affected by this action, and to inform you of the procedure to make a claim if you choose to do so.

DESCRIPTION OF THE ACTION

On March 30, 2009 an action was filed against Defendants Rick's Cabaret Inc., RCI Entertainment (New York), Inc., and Peregrine Enterprises, Inc. on behalf of Named Plaintiff Sabrina Hart and all other similarly situated individuals who worked as entertainers at Rick's Cabaret in New York during the past three years. Specifically, the action alleges that these individuals were misclassified as independent contractors, required to pay fees to work, and not

paid wages in violation of the Fair Labor Standards Act ("FLSA"). The lawsuit alleges that these individuals are owed a full refund of all "house fees" and other employment associated fees paid to the Defendants. The action also alleges that, in addition, these individuals are entitled to be paid the minimum wage for all hours they worked as entertainers. Plaintiff also seeks an additional equal amount as liquidated damages, as well as attorneys' fees and costs. This litigation is currently in the early pretrial stage.

Defendants deny Plaintiff's allegations and maintain that Plaintiff and the potentially similarly situated group were properly classified as independent contractors and do not have claims under the FLSA.

PERSONS ELIGIBLE TO RECEIVE THIS NOTICE

The United States District Court Southern District of New York has ordered this FLSA Notice be distributed to:

all persons who work or have worked for Defendants Rick's Cabaret International Inc., RCI Entertainment (New York) Inc. and/or Peregrine Enterprises, Inc. in New York as 'entertainers' at any time from [DATE] to the present.

YOUR RIGHT TO PARTICIPATE IN THIS LAWSUIT

If you fit the definition above, you may choose to join this lawsuit by mailing, emailing or faxing the attached "Plaintiff Consent Form" to Plaintiff's Counsel, listed below, for filing with the Court:

Nichols Kaster, PLLP
Attn: E. Michelle Drake
4600 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Toll-Free Telephone: 1-877-448-0492 (no faxes to this number)
Fax: (612) 215-6870
Email: drake@nka.com
Website: www.overtimecases.com

The Plaintiff Consent Form must be received by Plaintiff's Counsel in sufficient time for Plaintiff's counsel to file it with the Court on or before [DATE.]

EFFECT OF JOINING OR NOT JOINING THIS LAWSUIT

If you choose to join this lawsuit, you and Defendants will be bound by any ruling, judgment or settlement, whether favorable or unfavorable. If do not join this lawsuit, you are free to take action on your own or do nothing at all.

If you file a "Plaintiff Consent Form," your continued right to participate in this lawsuit may depend upon a later decision by the Court that you and the Named Plaintiff are "similarly situated" in accordance with applicable laws and that it is appropriate for this case to proceed as a collective action lawsuit.

STATUTE OF LIMITATIONS

The FLSA has a maximum statute of limitations of two or potentially three years. If you choose to join this lawsuit, you may be able to recover money damages if you were improperly required to pay fees in order to work and/or were denied the minimum wage for time you worked within two years, and in some cases within three years, of the date you file your Plaintiff Consent Form. If you choose not to join in this lawsuit or file your own action, some or all of your potential claims may later be barred by the applicable statute of limitations.

NO RETALIATION PERMITTED

The law prohibits retaliation against employees for exercising their rights under the FLSA. Therefore, Defendants are prohibited from firing you or retaliating against you in any other manner because you choose to participate in this lawsuit.

YOUR LEGAL REPRESENTATION IF YOU JOIN

If you choose to participate in this lawsuit by filing the attached Plaintiff Consent Form, your interests will be represented by Plaintiff's Counsel:

NICHOLS KASTER, PLLP
Steven A. Smith
E. Michelle Drake
Michele R. Fisher
4600 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Toll-Free Telephone: 1-877-448-0492 (no faxes to this number)
Fax: (612) 215-6870
Email: drake@nka.com
Website: www.overtimecases.com

The attorneys are being paid on a contingency fee and/or statutory basis which means that if there is no recovery there will be no attorneys' fees. If there is a recovery, the attorneys will receive a part of any settlement obtained or money judgment entered in favor of all members of the class. The specific terms and conditions of representation will be contained in a fee agreement entered into by the attorneys and you.

FURTHER INFORMATION

Further information about this lawsuit or this notice can be obtained by contacting Plaintiffs' counsel at the address or toll-free number provided above.

CONCLUSION

**THIS NOTICE AND ITS CONTENT HAS BEEN AUTHORIZED BY THE UNITED
STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK, THE
HONORABLE JUDGE JOHN G. KOELTL**

The Honorable John G. Koeltl
United States District Court Judge
Southern District of New York

CONSENT FORM

1. I hereby consent to join the lawsuit brought under the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*, to recover compensation I am owed by my current/former employers, Rick's Cabaret International, Inc., RCI Entertainment (NY) Inc., and Peregrine Enterprises, Inc.

2. During the past three years, I worked as an entertainer at the Rick's Cabaret located in New York City. I did not receive an hourly wage, and I was required to pay a house fee when I worked.

3. I hereby designate the law firm of Nichols Kaster, PLLP to represent me in this action.

4. If this case does not proceed collectively, then I also consent to join any subsequent action to assert these claims against Rick's Cabaret International, Inc., RCI Entertainment (NY) Inc., and Peregrine Enterprises, Inc.

Date: _____

Signature

Print Name

No Information Included Below Will be Filed With the Court

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: _____
(First) _____ (Middle) _____ (Last) _____

Street Address: _____

City, State, Zip: _____

Home: _____ Work: _____ Cell: _____

Email: _____

Social Security Number: _____ (or) Date of Birth: _____

Fax or Mail to: Nichols Kaster, PLLP (Attn. E. Michelle Drake)
80 South 8th Street, Suite 4600, Minneapolis, MN 55402
Toll Free Telephone: (877) 448-0492. FAX: 612-338-4878